

OUACHITA COMMUNITY ENHANCEMENT ZONE, INC.
MONROE, LOUISIANA

**COMPILATION REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011**

BY

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date

JUN 4 2012

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Independent Accountant's Compilation Report

To the Board of Directors of
Ouachita Community Enhancement Zone, Inc.

I have compiled the accompanying statement of financial position of Ouachita Community Enhancement Zone, Inc (a nonprofit organization) as of December 31, 2011 and the related statements of activities and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
May 22, 2012

FINANCIAL STATEMENTS

Ouachita Community Enhancement Zone, Inc
Statement of Financial Position
December 31, 2011

Statement A

Assets

Cash and Cash Equivalents	\$ 135,918
Loans Receivable	45,961
House Inventory for Resale	95,407
Property, Furniture, Equipment (Net, Note D)	30,031
Land	<u>13,118</u>
 Total Assets	 <u><u>320,435</u></u>

Liabilities and Net Assets

Liabilities.

Accrued Liabilities	<u>557</u>
 Total Liabilities	 <u>557</u>

Net Assets:

Unrestricted	<u>319,878</u>
 Total Net Assets	 <u>319,878</u>
 Total Liabilities and Net Assets	 <u><u>\$ 320,435</u></u>

See Independent Accountant's Compilation Report.

Ouachita Community Enhancement Zone, Inc
Statement of Activities
For the Year Ended
December 31, 2011

Statement B

UNRESTRICTED NET ASSETS

Support

Other Income	\$ 4
Interest Income	<u>2,626</u>
Total Other Support	<u>2,630</u>

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	<u>38,651</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>41,281</u>

Expenses

Program Expense	<u>34,413</u>
Total Expenses	<u>34,413</u>
Change in Unrestricted Net Assets	<u>6,868</u>

TEMPORARILY RESTRICTED NET ASSETS

Grants and Contracts	
Local	38,651
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>(38,651)</u>
Change in Temporarily Restricted Net Assets	<u>-</u>
Change in Net Assets	6,868
Net Assets as of Beginning of Year	<u>312,234</u>
Other Changes in Net Assets	
Prior Period Adjustment	<u>776</u>
Total Other Changes in Net Assets	<u>776</u>
Net Assets as of End of Year	<u><u>\$ 319,878</u></u>

See Independent Accountant's Compilation Report

Ouachita Community Enhancement Zone, Inc
Statement of Functional Expenses
For the Year Ended
December 31, 2011

	<u>Program Services</u>
Personnel Costs	
Salaries and Wages	\$ 14,708
Payroll Taxes and Other Fringe Benefits	304
Total Personnel Costs	<u>15,012</u>
Other Expenses	
Contractual Services	630
Depreciation Expense	1,564
Equipment Rental & Maintenance	729
Homeownership Program	1,980
Insurance	3,596
Miscellaneous	433
Office Supplies	288
Pest Control	264
Postage	70
Printing & Reproduction	180
Professional Services	4,310
Security	84
Telephone	2,412
Travel	288
Utilities	2,573
Total Other Expenses	<u>19,401</u>
Total Functional Expenses	<u><u>\$ 34,413</u></u>

See Independent Accountant's Compilation Report

Ouachita Community Enhancement Zone, Inc
Statement of Cash Flows
For the Year Ended
December 31, 2011

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ 6,868
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	1,564
Decrease in Loan Receivable	8,176
Decrease in Accrued Liabilities	(1,478)
Prior Period Adjustment	776
Total Adjustments	<u>9,038</u>
Net Cash Used by Operating Activities	<u>15,906</u>
 Investing Activities	
Construction Cost for House	<u>(30,805)</u>
Net Cash Used by Investing Activities	<u>(30,805)</u>
 Net Decrease in Cash and Cash Equivalents	(14,899)
 Cash and Cash Equivalents as of Beginning of Year	150,817
 Cash and Cash Equivalents as of the End of Year	<u><u>\$ 135,918</u></u>

See Independent Accountant's Compilation Report

**Ouachita Community Enhancement Zone, Inc.
Monroe, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2011**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Ouachita Community Enhancement Zone, Inc. is a non-profit organization domiciled in the State of Louisiana at Monroe, Louisiana. The Organization is recognized as a tax-exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. The primary objective of the Organization is to develop and implement programs and initiatives that empower enterprise community residents spiritually, economically, socially, educationally, and culturally. A Board of Directors that consist of six (6) members governs the Organization. The board members receive no compensation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue Recognition

In order to comply with restrictions, which donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consists mainly of interest income from loans receivable. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the unrestricted net assets.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Ouachita Community Enhancement Zone, Inc.
Notes to the Financial Statements (Continued)

Property, Furniture, and Equipment

The Organization records donations of property, furniture and equipment as support at their fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Assets purchased by the Organization are recorded at costs.

The organization records, at cost, purchases of property and equipment in excess of \$5,000 as fixed assets. Donations of property and equipment are recorded at fair market value at the time of donation. Depreciation is calculated on the straight line method over the useful lives of its respective assets.

Computer Equipment	7 Years
Equipment	7 Years
Office Furniture	7 Years
Building	30 Years

Income Taxes

The organization is a nonprofit corporation, exempt under section 501 (c) (3) of the internal revenue code and did not conduct unrelated business activities. Therefore, no provision for corporate income taxes has been included in the financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of May 22, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended December 31, 2009, 2010, and 2011; however, there are currently no audits for any tax period in progress.

Ouachita Community Enhancement Zone, Inc.
Notes to the Financial Statements (Continued)

NOTE B. CASH AND CASH EQUIVALENTS

For the period ended December 31, 2011, the Organization had the following cash and no cash equivalents:

Unrestricted	\$ 135,918
Total	<u>\$ 135,918</u>

NOTE C. LOANS RECEIVABLE

For the period ended December 31, 2011, the Organization had the following loans receivables:

Big Momma's Fine Foods	\$ 44,572
The X-Perience, LLC	<u>1,389</u>
Total	<u>\$ 45,961</u>

The Organization made small business loans to Big Momma's Fine Foods in July of 2001 in the amount of \$81,000 and The X-Perience, LLC in July of 2002 in the amount of \$100,000. The above schedule reflects the balances as of December 31, 2011.

NOTE D. PROPERTY, PLANT, AND EQUIPMENT

A summary of changes in property, plant and equipment for the year ended December 31, 2011 is as follows:

	1/1/2011	Additions	Deletions	12/31/2011
Depreciable Assets				
Furniture & Equipment	\$ 33,645	\$ -	\$ -	\$ 33,645
Building	45,045	-	-	45,045
Total Depreciable Assets	78,690	-	-	78,690
Less Accumulated Depreciation				
Depreciation	(47,095)	(1,564)	-	(48,659)
Total Accumulated Depreciation	(47,095)	(1,564)	-	(48,659)
Net Depreciable Assets	31,595	(1,564)	-	30,031
Other Property & Equipment				
Land	13,118	-	-	13,118
Net Property, Plant & Equipment	<u>\$ 44,713</u>	<u>\$ (1,564)</u>	<u>\$ -</u>	<u>\$ 43,149</u>

Ouachita Community Enhancement Zone, Inc.
Notes to the Financial Statements (Continued)

NOTE E. ACCRUED LIABILITIES

For the period ended December 31, 2011, the Organization had the following accrued liabilities.

Payroll Liabilities	\$ 557
Total Liabilities	<u>\$ 557</u>

NOTE F. HOUSE INVENTORY FOR RESALE

The Organization established a homeownership program to provide decent, safe, and affordable housing to the low-to-moderate income residents in the City of Monroe. On November 4, 2010, the Organization entered into a construction contract to build two three bedroom homes for \$180,000. On February 22, 2011, the Organization entered into a contract with the City of Monroe to reimburse the Organization a total of \$38,651 for a portion of the cost to purchase a lot and construct one of the single family homes. On April 1, 2011 the construction was completed, and the construction cost was reclassified as house inventory for resale. The total cost of the house was \$95,407.

NOTE G. PRIOR PERIOD ADJUSTMENT

For the period ended December 31, 2011, a prior period adjustment was made to net assets as follows.

Overstatement of Expenses	\$ 776
Total Prior Period Adjustment	<u>\$ 776</u>

NOTE H. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 22, 2012, the date which the financial statements were available to be issued.